

beginning to show definite results.

It was our mutual recognition of the fact that the Community represented a new dimension to our relationship with Europe that persuaded us that there would also be mutual interest in developing that relationship in conjunction with the co-operation we envisaged with the member states. As part of this process, Canadian and Commission officials have developed the practice of holding regular informal consultations on economic issues of mutual interest. These have, appropriately, reflected the major role that both Canada and the Community play in international trade and economic relations, as well as our importance to one another.

We can now add to the Canada-Community relationship in a significant way under our new agreement by using this imaginative framework to bring about a dynamic and mutually -- beneficial expansion of our commercial and economic connections. Co-operation with the Community collectively will, of course, be pursued by Canada with full appreciation of the interests and competences of the individual member states. In our view, these relations should develop both bilaterally and with the Community as a whole so that they reinforce and complement one another.

This is one of the reasons why we consider it important that our joint efforts under the agreement should be launched with all possible speed. With the signature and ratification of the agreement, we completed Phase One, which can be considered the preliminary phase of the operation. Inasmuch as today's meeting of the Joint Co-operation Committee will be essentially organizational, we should perhaps regard it as the transitional stage leading to Phase Two. In our view, this next phase should begin as early as possible in the new year, so that the Joint Committee can get down to its main purpose, without delay, of bringing about co-operation in practical and effective ways. I think we are in full agreement that to achieve this objective the Committee will need to establish a substructure and *modus operandi* that will enable it quickly to identify priority areas or sectors for co-operation. At the same time, the organizational framework must be conducive to bringing together appropriate elements of our respective business communities in a close working relation. In the end, it is their response to the work that will be undertaken by the Joint Committee that will be of utmost importance to achieving results. I should underline here that our respective authorities will not be seeking to employ the agreement as a means of developing an interventionist approach. In our sort of economic systems that would not be appropriate, and that is not our intention. Instead, in selected areas, we shall be trying to promote economic and commercial co-operation and to foster an environment conducive